



# Montana Financial Education Coalition NOTES

— A National Jump\$tart Affiliate —

## Financial Literacy Slightly Above Average Among Montana's High School Students

### *Jump\$tart Survey Examines Money Management Knowledge*

Montana high school seniors correctly answered over half of the questions in a personal finance survey conducted nationwide for the Jump\$tart Coalition for Personal Financial Literacy.

On average, students in Montana answered 54.4 percent of the questions correctly. This topped the 2006 national average score of 52.4 percent, which itself was up somewhat from national average scores of 52.3 percent in 2004, 50.2 percent in 2002 and 50.9 in 2000. 2006 was the first year in which results are available for Montana students.

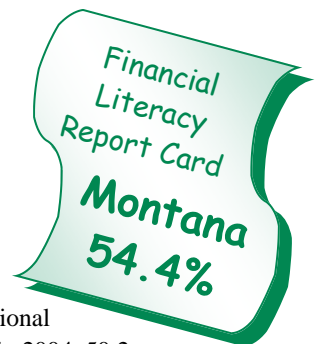
The results were part of Jump\$tart's 2006 nationwide survey measuring high school seniors' level of knowledge of personal finance basics, and comparing these to the results from similar surveys conducted in 2004, 2002, 2000 and 1997 by the coalition. The researcher for all five studies was Lewis Mandell, Ph.D., professor of finance and managerial economics at the University of Buffalo School of Management.

"Although encouraging, these results indicate that, despite the attention now paid to the lack of financial literacy, the problem is not about to resolve itself any time soon," said Dr. Mandell.

By subject area, Montana participants got 61.8 percent of the Income questions correct, 44.6 percent of the Money Management questions correct, 44.7 percent of the Savings questions right, 60.2 percent of the Spending answers correct and 54.9 of the Debt questions correct. By subject area, the national averages were: Income – 59.2, Money Management – 46.4, Savings – 42.6, Spending – 56.9 and Debt – 51.8.

"In all but one category, Montana participants scored higher than the national average. This is very encouraging. However, an overall average score of just over 50 percent indicates to me that there is a significant need for financial education for our students," observes Susan Woodrow, president of the Montana Financial Education Coalition, a national Jump\$tart Coalition affiliate, and Community Affairs Project Director for the Helena Branch of the Federal Reserve Bank of Minneapolis. "A good understanding of personal finance and money management is a fundamental life skill. While the continuing expansion and diversification of financial services and products offers more options and opportunities for consumers, education about these new products and services has not kept pace. As a result, we see growing debt, lower savings rates and more financially destructive behaviors. Financial education is key for ensuring our young people are empowered, and not victimized, in the financial marketplace."

"I'm delighted that our Montana coalition was able to generate enough participation in this survey to enable us to provide state-specific results and I commend them on the effort," said Laura Levine, executive director, of the national coalition. "The increased levels of participation this year indicate that educators across the country are beginning to recognize the importance of financial literacy and the need for financial education. I hope we see improvement in performance in the near future." In fact, among the states, Montana had both the greatest number of high schools and students participating in the survey.



*"Although encouraging, these results indicate that, despite the attention now paid to the lack of financial literacy, the problem is not about to resolve itself any time soon."*

## National Teach Children to Save Day

*Submitted by Marsha A. Goetting, Prof. & Extension Family Economics Specialist*

National Teach Children to Save Day was established to spotlight the importance of teaching our nation's youth about saving. A coalition of MSU Extension Agents and financial partners in several Montana communities are making sure our youth have an opportunity to learn the benefits of saving.

In Richland County over 300 children and parents took bank and credit union tours, listened to story hours featuring books about saving, and learned how to figure the value of their savings by using a financial calculator. A group of high school students were trained to present a savings lesson to third graders. Other activities included a kid's newspaper financial page, a high school savings program and a financial-themed after-school program for a week. The local coalition was formed and facilitated by Judy Johnson, Richland County MSU Extension Agent.

Custer County Extension in collaboration with Stockman Bank and Community 1st Federal Credit Union made 22 classroom sessions about saving that reached 506 students. Resources were from Money on the Bookshelf, the M&M budgeting game and using financial calculators to make financial decisions. The coalition that was initiated by Tara Andrews, Custer County MSU Extension Agent, has worked together for three years to provide savings education for Custer County youth.

At First Community Bank in Culbertson 71 students in grades K-4, listened to the story about Katie who learns to earn and save money for what was important to her. Fifth and sixth grade students learned where to find the money they need for a financial goal by using a Paycheck Power® Calculator. They discovered that if they spent \$2.50 less each day on little things, they would save \$913 in a year toward their financial goal. After learning about saving money, 80 percent indicated they will try to save a portion of the money that they receive; 68 percent will put some money from their allowance into a savings account, 63 percent will try to save something each day even if it is only a dime, and 56 percent will ask neighbors if they can do a job for them to earn some money.

The financial implications of using drugs was a shocker to the 134 Culbertson students in grades 7-12 who attended a session at the Richland Federal Credit Union. A former meth user emphasized that meth had destroyed him financially. He lost two houses and a really nice car; along with his self-respect. After several years, he is now making payments on a new car, but at an interest rate of 20 percent.

Along with Adris Oelkers, MSU Extension Service in Roosevelt County Agent, those who helped educate students about the importance of savings and establishing sound financial goals included staff from First Community Bank – Culbertson; Richland Federal Credit Union, Culbertson Branch; Froid Federal Credit Union; and Big Muddy Drug Task Force.

The Montana State University Extension Service Web site on Teach Children to Save is utilized by teachers, parents, and financial institutions wanting information about teaching children to save. <http://www.montana.edu/extensionecon/teachsaves/index.html>.



**Don't forget to visit the Montana Financial Education Coalition's web site at:**

**[www.mtmfec.org](http://www.mtmfec.org)**

## Financial Education — Is There a Need?

Submitted by Bob Vogel, Director of Government Relations, Montana School Board Association

If you have a son or daughter who has reached driving age you have likely shaken your head a few times when you explain that, beyond the excitement of driving a car, there are the costs of insurance, gas, maintenance, etc. As a parent you can have a similar reaction when you try to explain that the “fun” of using a credit card should be tempered by the realization that a bill comes in at the end of the month.

Students today are getting credit cards sent to them before they ever graduate from high school. High school seniors are excited – as they should be -- when they contemplate which college they are heading for, but they are not focused on how they will finance college. All of these instances are indicators of the lack of personal financial education that students today are getting from either their parents or their schools. Another strong indicator of the level of understanding Montana students have of financial education comes from the recently-released, preliminary results of the Jump\$tart survey conducted in high schools across the country.

On average, students in Montana answered 54.4 percent of the questions correctly. The national average score was 52.4 percent. By subject area, Montana participants got 61.8 percent of the Income questions correct, 44.6 percent of the Money Management questions correct, 44.7 percent of the Savings questions right, 60.2 percent of the Spending answers correct, and 54.9 percent of the Debt questions correct.

Montana students scored higher than the national average in all but one category. However, Sue Woodrow, President of the Montana Financial Education Coalition Board, rightfully points out that the results also indicate a significant need for financial education for our students.

There are three sources of information and education for students to receive personal financial advice and training. First, there are parents and family. The second source would be from community programs or interest groups like many of the members of the Montana Financial Education Coalition (MFEC). Finally, students can get much-needed financial information from their schools. There are challenges for each of these sources.

Parents and families are, themselves, struggling to cope with personal debt whether it be from medical expenses, credit cards, or high housing costs. Many adults do not have the knowledge or background in financial education to pass it along to their kids.

While community programs and interest groups have a wealth of information that could be shared with students, their access to large numbers of students who will take the time to consider the information is limited.

Schools have the greatest potential access to students, but are limited by how busy students' schedules have become, the focus on reading, math, and science (under No Child Left Behind), and where

to fit personal financial education into their curriculum.

Like the Montana results in the Jump\$tart survey, there are some encouraging signs of that a combination of all these sources are beginning to reach more students. Many groups are writing curriculum that is interesting and engaging for students and can be integrated into some of the existing courses students are in or delivered in after school programs, or by experts from the community who are willing to come in to schools to share their expertise.

I don't think forcing the issue by requiring an additional course is the solution. What appears to be a win-win situation is to continue the efforts to blend all of the approaches – integrate real world situations into the math, social studies, and other subjects that will engage students to a greater degree than more conceptual approaches. Finally, we may need to reverse the roles of parents advising children and have students help their parents with the ever-increasing complexities of personal financial matters.



# SAVE *the* DATE

**Montana Financial Education Coalition  
Annual Conference  
April 10 & 11, 2007 ~ Billings, MT**

## First Interstate Bank:

### Bringing Saving Smarts to Schools

Submitted by Lisa Knutson, First Interstate Foundation

Every year across America bankers visit classrooms, in the communities in which they serve, to teach students grades K-12 the financial “facts of life.” *National Teach Children to Save Day* is a financial literacy program sponsored by the American Bankers Association Education Foundation. On this day bankers make presentations including games and activities about the concepts of saving, how interest makes money grow, how to budget and make a distinction between needs and wants. Since *National Teach Children to Save* began in 1997, more than 18,300 bankers have made nearly 30,000 presentations reaching nearly 1.2 million students ([www.aba.com](http://www.aba.com)).

First Interstate BancSystem had 100% participation this year in the national event which was held on April 26<sup>th</sup>! For five consecutive years First Interstate’s bankers across Montana and Wyoming have gone into schools in the communities in which they serve with lessons regarding financial wisdom. The following are examples of *Teach Children to Save* presentations:

Penelope Idland and Kim Bergo, from First Interstate Bank Bozeman, made a presentation at Monforton School to 14 students in the 3<sup>rd</sup> grade class. Utilizing the *Teach Children to Save Kit*, available through the American Bankers Association website, they discussed the difference between needs and wants, and had the children draw pictures of each. Each child stood in front of the class to present what they were saving for, and as they were talking to their class, their responses were being written on the board. There were some children who wanted to save money to help their family with the necessities of life. Each student was given five pennies and a First Interstate Piggy Bank.

Erin DeGarmo and Anna Humphry from First Interstate Bank Missoula made a visit to Lolo Elementary where they presented to 60 second grade students. They created their own lesson and began by asking questions including: How do you earn money? What do you spend it on? What are you saving for? Erin and Anna brought items to the class that the children might buy; a book, DVD, *Sorry* game, and a special Barbie doll. They asked the children how much each item costs and how long it would take to save for it based on different amounts of allowance. Erin and Anna then asked the students what bill(s) they could use to pay for it and how much, if any, change they would get back, asking for different combinations of bills each time for the purchase and the change. The teachers were appreciative of the activities as they were age-appropriate and tied into what the students were currently working on.

First Interstate’s commitment to financial education goes beyond a one day visit once a year. The school Mini Bank program is a partnership between First Interstate BancSystem Foundation, targeted community schools, and the local First Interstate branch. The purpose is to promote financial literacy and asset building in students, schools, families and communities. Students with the support of First Interstate and school personnel operate a school savings bank to which all students can have an account. The First Interstate Foundation and local First Interstate branch work together to provide materials and resources necessary for the students to operate the Mini Bank and increase personal financial skills. Currently First Interstate has 12 Mini Banks across Montana & Wyoming located in Colstrip, Hardin, Lame Deer, Miles City, Polson, and Cheyenne, with 915 accounts totaling \$434,957.76!

Thank you to the following organization for sponsoring this issue of *Notes*:

## First Interstate Foundation

First Interstate Bank is a multi-state, \$4.6 billion banking organization headquartered in Billings, Montana. First Interstate has evolved since 1968 from a single bank in Sheridan, Wyoming to operating 49 branches and over 130 ATMs in Montana and Wyoming. First Interstate Foundation, a charitable affiliate of First Interstate BancSystem, was established in 1990. First Interstate BancSystem and the Foundation contribute at least 2% of pretax earnings to community activities and projects striving, “To make our communities a better place to live and work, socially responsible leadership requires nothing less.”

## FINANCIAL EDUCATION RESOURCES

[www.familyfinance.montana.edu](http://www.familyfinance.montana.edu)

[www.ftc.gov/ftc/consumer.htm](http://www.ftc.gov/ftc/consumer.htm)

[www.smartaboutmoney.org](http://www.smartaboutmoney.org)

[www.getaheadnow.org](http://www.getaheadnow.org)

## National Credit Union Youth Week:

### *Record Savings in Youth Saving Challenge*

“My Money, My Credit Union – Where I Belong” was the theme for this year’s National Credit Union Youth Week, April 23-29, 2006. The event acts as a focal point for teaching the benefits of saving and goal setting to youth.

Credit unions across Montana, and the nation, focused on young people’s financial needs, stressing the importance of financial education, and used the week to enlighten children and parents alike. Numerous credit unions went out to the schools and community organizations providing financial education presentations.

For the third year credit unions participated in a Youth Saving Challenge. The challenge encourages young members to open new accounts and make savings deposits throughout the week. By the end of the week, Montana’s youth deposited a reported \$29,739 into their credit union savings accounts—nearly \$12,000 more than last year.

Taking a different approach to youth week, Helena area credit unions, the Students Assistance Foundation, Carroll College, and Montana Credit Unions for Community Development coordinated an ‘Early Awareness Pilot Program’ geared toward parents of elementary students.

The program offered information about what today’s young students can expect to pay for higher education in ten years, what their funding options are, and the importance of planning and saving now. In addition, parents were encouraged to start talking with their young children about money and get them involved in saving and goal setting. Parents received information and resources to begin preparing and saving for their child’s higher education.

To assist credit unions with their financial and consumer outreach efforts during Youth Week and throughout the year, Montana Credit Unions for Community Development held two regional “CU in the Classroom” workshops in Missoula & Billings. The workshop provided participants with the tools and resources to help them deliver financial education presentations in the local schools and to the youth and young adults in their communities.

Montana credit unions continue to provide financial education in their communities throughout the year. Promoting financial literacy among members is both long-standing tradition among credit unions as well as an important part of the credit union philosophy.

## Last Chance to Register...

### *Family Economics & Financial Education Project’s National Conference June 12 – 16 in Bozeman, MT*

*Submitted by Nicole Chinadle, Project Manager,  
Family Economics & Financial Education Project*

**Consumer Protection Seminar:** June 13-15, 2006. Concerned about having your identity stolen? This special topics seminar provides participants with consumer protection information and teaching tools focusing not only what a consumer can do to protect themselves against identity theft but also how to make wise consumer decisions with every aspect of financial management.



**Get Ready to Take Charge of Your Finances:** June 15–16, 2006. This action packed workshop is the first of its kind showcasing the newly developed introductory curriculum designed for student’s grades 7-9 or individuals with limited financial education knowledge. For those familiar with the FEFE curriculum, this workshop will feature **all new** activities in addition to providing instruction on the newly designed note taking guides and information sheets. *The workshop begins at 6 p.m. on June 15 so individuals may attend either Consumer Protection or Take Charge of Your Finances as well.*

**Take Charge of Your Finances:** June 12-15, 2006. This dynamic training is a must for any educator teaching family economics. Participants will have the opportunity to experience the 34 lessons within the FEFE semester course “Take Charge of Your Finances” and receive hard copies of the lesson plans in addition to the supplemental materials necessary to teach the lessons. Participants will also attend keynote presentations from field experts, receive a plethora of supplemental ideas and curriculum to enhance any finance course.

**Graduate Credit:** Graduate level extended studies college credit is available for each training option.

**Registration Fee:** The registration fee is different for each workshop. All registration fees include receiving hard copies of curriculum materials, supplemental materials required to teach a course, lodging in a shared room, lunches, and some dinners.

### **Registration Deadline is May 19**

For more detailed information about these educational opportunities, visit [www.familyfinance.montana.edu/trainingSeminars.php](http://www.familyfinance.montana.edu/trainingSeminars.php). Contact Nicole Chinadle at 406.994.7745 or [familyfinance@montana.edu](mailto:familyfinance@montana.edu) with questions! We look forward to seeing you in June.

# Is It A Dream Vacation or Travel Fraud?!

*Federal Trade Commission Consumer Alert, submitted by Montana Credit Unions for Community Development*

Summer is fast approaching and it's time for you to prepare for the onslaught of advertisements for so-called "fabulous vacations"? Travel fraud consistently ranks high on the list of consumer complaints each year. The allure of winning a free vacation can cloud anyone's judgment if the ads aren't read carefully.

Some travel fraud is committed by scam artists who simply take the money and run; others result in a trip – but it may be anything but relaxing. The vacationer may be stuck for a week in a crime-infested neighborhood or in a cockroach-infested hotel.

Here are some tip-offs to travel fraud:

- \$ **Upfront costs.** Some time shares, travel clubs, and campground memberships require a large outlay now for the chance to vacation later. Be careful--the package may not be worth what you paid or you may not want to use it in the future.
- \$ **Urgent appeals.** Bogus offers sometimes use bulk mailing designed to look important. And if the material inside the envelope looks like a certificate or voucher, that also should raise a red flag.
- \$ **Quick decision.** Just say no if the marketer tells you the offer is good only for one day.
- \$ **There's a catch.** If that so-called free vacation comes with the stipulation that you need to listen to a time share sales pitch, check local laws: It's illegal in some states to attach conditions to a prize.

Visit the Federal Trade Commission's website for more information on this consumer alert to help you avoid becoming a victim of travel fraud: <http://ftc.gov/bcp/online/pubs/alerts/trvlalrt.pdf>



*NOTES* readers are partners in our efforts to share the latest news from the financial education field. The newsletter is published quarterly by the Montana Financial Education Coalition (MFEC). It is designed to keep the MFEC partners informed about what is happening as well as communicating financial education efforts to other interested parties throughout the state.

We welcome your questions and comments. If you are interested in receiving this publication regularly or would like more information on the MFEC, please contact Karen Dunn (*editor*) at [karen@mfecun.org](mailto:karen@mfecun.org) or Sue Woodrow at [Susan.Woodrow@mplsrb.org](mailto:Susan.Woodrow@mplsrb.org)

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